

## 2009 HOUSING GOAL PERFORMANCE FOR FANNIE MAE AND FREDDIE MAC

On March 16, 2010 Fannie Mae and Freddie Mac (the Enterprises) submitted their Annual Housing Activities Reports (AHARs) to the Federal Housing Finance Agency (FHFA), which included their performance on the housing goals and subgoals in 2009. The Enterprises also submitted computerized loan-level data on all mortgages purchased in 2009. FHFA reviewed the Enterprises' AHARs and the computerized loan-level data, and on July 7, 2010, notified the Enterprises of their official performance results..

FHFA published a final rule setting new levels for the housing goals and subgoals on August 10, 2009. The rule modified the goals which had been set for 2005-08 in 2004 by the Department of Housing and Urban Development (HUD), the previous mission regulator for the Enterprises. Unless modified by FHFA, the 2008 goals would have carried over to 2009, in accordance with the Housing and Economic Recovery Act of 2008 (HERA).

In 2009 both Enterprises surpassed the low- and moderate-income ("low-mod") goal, the low-mod home purchase subgoal, and the special affordable home purchase subgoal, which was targeted to very low-income families and low-income families in low-income areas. Both Enterprises fell short on the underserved areas goal, which targeted borrowers in low-income and high-minority, middle-income communities, and on the dollar-based special affordable multifamily subgoals.

Fannie Mae's performance on the underserved areas home purchase subgoal and the overall special affordable goal exceeded the target levels, while Freddie Mac's performance fell short in both cases.

On June 3, 2010, FHFA determined that the housing goals and subgoal that were not met by either Fannie Mae or Freddie Mac in 2009 were infeasible. FHFA determined that the housing goal and subgoal that were exceeded by Fannie Mae but not by Freddie Mac were feasible.

The 2009 housing goals and special affordable multifamily subgoal performance figures, as officially determined by FHFA, including credit for goal-qualifying loan modifications, are:

<b>HOUSING GOALS</b>	<b>GOAL TARGETS</b>	<b>FANNIE MAE RESULTS</b>	<b>FREDDIE MAC RESULTS</b>
<b>Low- and Moderate-Income</b>	<b>43%</b>	<b>47.60%</b>	<b>44.67%</b>
<b>Underserved Areas</b>	<b>32%</b>	<b>28.76%</b>	<b>26.75%</b>
<b>Special Affordable</b>	<b>18%</b>	<b>20.73%</b>	<b>17.75%</b>
<b>Special Affordable MF Subgoals</b>			
<b>Fannie Mae:</b>	<b>\$6.56 Billion</b>	<b>\$6.42 Billion</b>	
<b>Freddie Mac:</b>	<b>\$4.60 Billion</b>		<b>\$3.69 Billion</b>

In 2004, HUD created home purchase subgoals under each of the housing goals. The home purchase subgoals were intended to encourage the Enterprises to facilitate greater financing and homeownership opportunities for families, including first-time homebuyers, and underserved communities targeted by the housing goals. The 2009 home purchase subgoal performance figures, as officially determined by FHFA, including credit for goal-qualifying loan modifications of home purchase loans, are:

<b>HOME PURCHASE SUBGOALS</b>	<b>SUBGOAL TARGETS</b>	<b>FANNIE MAE RESULTS</b>	<b>FREDDIE MAC RESULTS</b>
<b>Low- and Moderate-Income</b>	<b>40%</b>	<b>51.74%</b>	<b>48.41%</b>
<b>Underserved Areas</b>	<b>30%</b>	<b>31.04%</b>	<b>27.86%</b>
<b>Special Affordable</b>	<b>14%</b>	<b>23.18%</b>	<b>20.56%</b>

Performance under the housing goals is measured as the percentage of dwelling units financed by mortgages acquired by each Enterprise that meet goal eligibility requirements relative to all eligible **dwelling units** financed by acquired mortgages during the year. Regulations provide that a housing unit may count towards more than one goal or subgoal in the performance year. Home purchase subgoals are expressed as percentages of the total **number of mortgages** acquired by the Enterprises that financed the purchase (not refinance) of single-family, owner-occupied properties located in metropolitan areas. The restriction of the home purchase subgoals to properties located in metropolitan areas was designed to facilitate comparison between loan-level data submitted by the Enterprises with data submitted by primary market mortgage originators to their regulators in accordance with the Home Mortgage Disclosure Act (HMDA).